

House Study Bill 630

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC GROWTH BILL BY
CHAIRPERSON HOFFMAN)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An act relating to eligibility requirements and certification of
2 enterprise zones under the enterprise zone program and
3 including effective and retroactive applicability dates.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6084YC 81
6 tm/gg/14

PAG LIN

1 1 Section 1. Section 15E.192, subsection 2, Code Supplement
1 2 2005, is amended to read as follows:
1 3 2. A city ~~with a population of twenty-four thousand or~~
~~1 4 more which includes at least two census tracts~~, as shown by
1 5 the 2000 certified federal census, may create an economic
1 6 development enterprise zone as authorized in this division,
1 7 subject to certification by the department of economic
1 8 development, by designating one or more contiguous census
1 9 tracts, as determined in the most recent federal census, or
1 10 designating other geographic units approved by the department
1 11 of economic development for that purpose. If there is an area
1 12 in the city which meets the requirements for eligibility for
1 13 an urban or rural enterprise community under Title XIII of the
1 14 federal Omnibus Budget Reconciliation Act of 1993, such area
1 15 shall be designated by the state as an economic development
1 16 enterprise zone. The area meeting the requirements for
1 17 eligibility for an urban or rural enterprise community shall
1 18 not be included for the purpose of determining the area
1 19 limitation pursuant to subsection 3. In creating an
1 20 enterprise zone, a city ~~with a population of twenty-four~~
~~1 21 thousand or more which includes at least two census tracts~~, as
1 22 shown by the 2000 certified federal census, may designate as
1 23 part of the area tracts or approved geographic units located
1 24 in a contiguous city if such tracts or approved geographic
1 25 units meet the criteria and the city agrees to being included.
1 26 The city may establish more than one enterprise zone.
1 27 Reference in this division to "city" means a city ~~with a~~
~~1 28 population of twenty-four thousand or more which includes at~~
~~1 29 least two census tracts~~, as shown by the 2000 certified
1 30 federal census.
1 31 Sec. 2. Section 15E.192, subsection 4, Code Supplement
1 32 2005, is amended to read as follows:
1 33 4. An enterprise zone designation shall remain in effect
1 34 for ten years following the date of certification. Prior to
~~1 35 the expiration of an enterprise zone designation, a city or~~
~~2 1 county meeting the distress criteria in section 15E.194 may~~
~~2 2 apply for a ten-year extension of the designation.~~ Any state
2 3 or local incentives or assistance that may be conferred must
2 4 be conferred before the designation expires. However, the
2 5 benefits of the incentive or assistance may continue beyond
2 6 the expiration.
2 7 Sec. 3. Section 15E.195, subsection 2, Code 2005, is
2 8 amended to read as follows:
2 9 2. A city ~~with a population of twenty-four thousand or~~
~~2 10 more which includes at least two census tracts and which~~
2 11 designates an enterprise zone pursuant to section 15E.194,
2 12 subsection 2, and in which an eligible enterprise zone is
2 13 certified shall establish an enterprise zone commission to
2 14 review applications from qualified businesses located within
2 15 or requesting to locate within an enterprise zone to receive
2 16 incentives or assistance as provided in section 15E.196. The
2 17 enterprise zone commission shall review applications from

2 18 qualified housing businesses requesting to receive incentives
2 19 or assistance as provided in section 15E.193B. The commission
2 20 shall consist of nine members. Six of these members shall
2 21 consist of one representative of an international labor
2 22 organization, one member with economic development expertise
2 23 chosen by the department of economic development, one
2 24 representative of the city council, one member of the local
2 25 community college board of directors, one member of the city
2 26 planning and zoning commission, and one representative of the
2 27 local workforce development center. These six members shall
2 28 select the remaining three members. If the enterprise zone
2 29 consists of an area meeting the requirements for eligibility
2 30 for an urban enterprise community under Title XIII of the
2 31 federal Omnibus Budget Reconciliation Act of 1993, one of the
2 32 remaining three members shall be a representative of that
2 33 community. If a city contiguous to the city designating the
2 34 enterprise zone is included in an enterprise zone, a
2 35 representative of the contiguous city, chosen by the city
3 1 council, shall be a member of the commission. A city in which
3 2 an eligible enterprise zone is certified shall have only one
3 3 enterprise zone commission. If a city has established an
3 4 enterprise zone commission prior to July 1, 1998, the city may
3 5 petition to the department of economic development to change
3 6 the structure of the existing commission.

3 7 Sec. 4. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.
3 8 This Act, being deemed of immediate importance, takes effect
3 9 upon enactment and, if enacted after March 1, 2006, applies
3 10 retroactively to March 1, 2006.

3 11 EXPLANATION

3 12 This bill relates to eligibility requirements and
3 13 certification of enterprise zones under the enterprise zone
3 14 program and includes effective and retroactive applicability
3 15 dates.

3 16 Currently, a city with a population of 24,000 or more is
3 17 eligible to designate an enterprise zone if the enterprise
3 18 zone meets certain distress criteria. The bill eliminates the
3 19 24,000 population threshold and, instead, provides that a city
3 20 which includes at least two census tracts, as shown by the
3 21 2000 certified federal census, is eligible to designate an
3 22 enterprise zone if the enterprise zone meets certain distress
3 23 criteria.

3 24 The bill provides that, prior to the expiration of an
3 25 enterprise zone designation, a city or county meeting certain
3 26 distress criteria may apply for a 10-year extension of the
3 27 enterprise zone designation.

3 28 The bill takes effect upon enactment and, if enacted after
3 29 March 1, 2006, applies retroactively to March 1, 2006.

3 30 LSB 6084YC 81

3 31 tm:nh/gg/14